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SERVICE DATE – JULY 28, 2006

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34904]

Dakota, Missouri Valley and Western Railroad, Inc.—Lease and Operation Exemption—
Soo Line Railroad Company

Dakota, Missouri Valley and Western Railroad, Inc. (DMVW), a Class III rail carrier, has filed a verified notice of exemption under 49 CR 1150.41, et seq., to extend, renew and supplement the arrangement governing its lease and operation of certain lines of railroad owned by Soo Line Railroad Company, d/b/a Canadian Pacific Railway Company (CPR) and currently operated by DMVW. These lines run between Hankinson, ND, and Moffit, ND; Bismarck, ND and Max, ND; and Flaxton, ND and Whitetail, MT. Specifically, DMVW will continue to lease and operate: (1) between approximately milepost 205.96 in Hankinson and approximately milepost 391.38 near Moffit; (2) between approximately mileposts 391.27 and 393.33 at Moffit; (3) between approximately milepost 560.5 in Bismarck and approximately mileposts 467.61 and 467.06 on the legs of the wye in Max; (4) between approximately milepost 541.0 at Flaxton and approximately milepost 549.64 at Rival, ND; (5) between approximately milepost 582.3 at Crosby, ND, and approximately milepost 676.83 at Whitetail, (6) between approximately mileposts 581.19 and 582.35 near Crosby; and (7) between

approximately mileposts 557.68 and 558.31 at Columbus, ND (collectively, the Subject Lines), a total distance of approximately 386 miles of rail line.

DMVW currently operates the Subject Lines pursuant to a lease agreement with CPR. DMVW and CPR have agreed to enter into a Renewed Lease Agreement that will extend the terms of DMVW's lease and operation of the Subject Lines through June 30, 2026, and will amend and supplement certain other terms and conditions of the lease arrangement between DMVW and CPR.

DMVW will continue to retain the following trackage rights that it acquired by assignment from CPR in 1990: (1) CPR's trackage rights over the line of railroad owned jointly by CPR and the BNSF Railway Company (BNSF) between approximately milepost 549.64 at Rival and milepost 582.3 at Crosby, which allows DMVW to operate between the Flaxton-Rival and Crosby-Whitetail segments that it leases from CPR; (2) CPR's trackage rights over the short branch line owned jointly by CPR and BNSF that connects the Flaxton-Whitetail main line with the short CPR track at Columbus, ND; and (3) CPR's trackage rights over the line of railroad owned by BNSF between McKenzie, ND and Bismarck, which enables DMVW to connect its operations on the Bismarck-Max segment with its operations on the Moffit-Hankinson segment via the line of railroad owned by DMVW between McKenzie and Moffit.

DMVW certifies that its projected revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier.

DMVW indicates that the parties intend to consummate the transaction on or soon after the date this exemption becomes effective in recognition of the fact that the date of effectiveness depends on whether a related petition for waiver is granted.¹

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34904, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Edward J. Fishman, 1601 K Street, N.W., Washington, DC 20006-1600.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

Decided: July 24, 2006.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary

¹ In a decision in this proceeding served on July 24, 2006, the Board granted a request by DMVW for waiver of the 60-day advance labor notice requirement of 49 CFR 1150.42(e). The exemption became effective on the service date of that decision.